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Probe illustrates how CIA ties can benefit business

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Dressed in a brown pinstripe suit, brown tie and brown shoes, speaking in a manner as subdued as his attire, James Critchfield seemed to be an ordinary man in an ordinary business.

But for nearly three decades, Critchfield lived in the obscurity and intrigue of international intelligence as a CIA agent.

Newly available documents show that in 1979 and 1980, Critchfield and Tetra Tech were deeply involved in the efforts of Ashland Oil Inc. — an independent, Kentucky-based company — to obtain oil from the Middle Eastern country of Oman.

Today Ashland is the subject of U.S. government investigations into the legality of a \$1.35 million "commission" payment to wealthy Arab businessman Yehia Omar in the oil deal.

The investigations by the Securities and Exchange Commission (SEC)

and two House subcommittees have not implicated Critchfield or Tetra Tech in the payment. But they have provided access to documents describing CIA activity in Oman and Critchfield's relationship with Omar and Ashland.

Critchfield has associated with Omar since the early 1970s, first through the CIA, for which Critchfield was director of Middle East operations and a senior energy analyst, and then in numerous discussions of business deals in the Middle East and Africa.

Then he left the CIA and went into international business as an executive of Tetra Tech, a California-based engineering company acquired last year by Honeywell Inc.

Now his role in a Middle East oil deal has brought him out of obscurity and provided a rare inside view of a network of CIA agents, former agents, intermediaries and business people. It shows how they operate for mutual advantage and how their activities affect U.S. interests abroad.

Critchfield and his company also have done extensive business in Oman. That involvement and his CIA background led to widespread talk that Tetra Tech served as a cover for CIA activities there.

Critchfield was close enough to the ruling sultan of Oman in January 1975 to attend a reception given by the sultan during a Washington visit. Now a former aide to the sultan says Critchfield may have received as much as \$250,000 in a canvas bag on

orders of the sultan, for helping arrange the visit. In interviews last month, Critchfield denied having any business deals with Omar. He said he had no connection with Ashland's payment to Omar and knows nothing of the alleged money transfer.

"There really isn't a story" in any of it, he said.

Honeywell also said it concluded from two investigations of its own that Critchfield and Tetra Tech had not worked for the CIA in Oman. A Honeywell official declined comment on whether the company will review Critchfield's Ashland involvement.

Oman is a tiny country, but its location on the Strait of Hormuz provides control over vital oil shipping lanes from the Arabian Gulf. Ashland sought oil from Oman after losing much of its supply during the hostage crisis in Iran. The company got into trouble when it paid Omar for a September 1980 contract for the oil. The payment, returned after some Ashland board members intervened, helped lead to the resignation of Ashland's president and the government investigations. Documents from an internal investigation for the company, turned over to the government, describe the oil deal, the roles of Omar, Critchfield and the CIA in Oman.

But a 1975 U.S. State Department memorandum, not part of the Ashland file, provides the greatest detail about Omar. It refers to his "deep and corrupt" involvement in Oman as a businessman and adviser to Sultan Bin Said Qaboos. The memo indicates diplomats and other businessmen had documented how he

skimmed money off Omani government contracts. The memo also notes widespread suspicions that he worked for the CIA.

The Ashland documents show that Omar and Critchfield recommended each other to Ashland to help the company obtain oil in Oman. They also encouraged Ashland officials to seek Omani oil and were linked in discussions of other business.

According to the documents, Critchfield helped Ashland obtain the oil in his role as adviser to the sultan. In that role he helped both sides, preparing an Ashland communication to the Omani petroleum minister and assisting in the minister's reply.

Critchfield later advised Ashland to back away from Omar in the oil deal. This occurred nine months after he suggested that the company work with Omar. It also occurred after Omar's introduction of Critchfield to Ashland had helped Tetra Tech obtain Ashland contracts for work in Saudi Arabia and Egypt.

Critchfield says he first met Omar in the early 1970s in Rome, where

Omar had settled after fleeing Libya in the coup that brought Moammar Khadafy to power. The relationship continued after Critchfield left the CIA and Omar remained as an adviser to the sultan of Oman.

Both Omar and Critchfield apparently benefited from their association in those earlier years as well as later.

John Townsend, then an economic adviser to the sultan, said an Omar associate, Ghassan Shakir, helped Tetra Tech get an Omani water-development contract in late 1974.

(Critchfield says Shakir may have mentioned Tetra Tech but didn't get the contract for his company. He says the contract resulted from oil development work Tetra Tech was doing in Oman.)

Townsend also said he believes that Critchfield was involved in the transfer of a bag, which had contained

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